

(ENCLOSED)

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Receiver

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA**

THE DIRECTOR OF THE DEPARTMENT OF
MANAGED HEALTH CARE OF THE STATE
OF CALIFORNIA,

Petitioner,

vs.

LIFEGUARD, INC.,

Respondents.

Case No. CV811257

**ORDER GRANTING APPLICATION
FOR EMPLOYMENT OF DANNING,
GILL, DIAMOND & KOLLITZ, LLP AS
GENERAL COUNSEL FOR THE
RECEIVER**

Date: January 28, 2003

Time: 9:00 a.m.

Dept: 16

This matter came on regularly for hearing on January 28, 2003, before the Honorable Judge of the Superior Court of the State of California, in the above-referenced Department, of the above-entitled court, with Steven J. Schwartz, appearing on behalf of Richard K. Diamond, the duly appointed Receiver of Lifeguard, Inc. ("Lifeguard"). Other appearances were as noted on the record.

The Court having read and considered the Application (the "Application") for Employment of Danning, Gill, Diamond & Kollitz, LLP ("Danning-Gill"), the Declarations filed in support thereof, no opposition having been received, notice having been proper, the Court being fully advised, it appearing from the Application that it is necessary and appropriate that the Receiver employ counsel, and that the name of counsel proposed to be employed is shown in the Application; it further appearing that said counsel represents no interest adverse to Lifeguard, the

1 receivership estate or any creditors in the matters upon which counsel is to be engaged, and that the
2 employment of Danning-Gill would be in the best interests of the receivership; and good cause
3 appearing therefor; it is hereby,

4 ORDERED THAT:

5 1. The Application is granted.

6 2. Richard K. Diamond, Receiver of the estate of Lifeguard, Inc., is hereby authorized
7 to employ Danning, Gill, Diamond & Kollitz, LLP ("Danning-Gill") as his counsel at the expense
8 of said estate, effective as of January 16, 2003.

9 3. Danning-Gill shall be compensated for fees and expenses incurred on a monthly
10 basis, with such compensation subject to final review and approval by the Court pursuant to Rule
11 1907 of Title Five of the California Rules of Court. Pursuant to Rule 1906 of such title, Danning-
12 Gill shall provide monthly reports to the parties to this litigation, including a breakdown of the
13 services provided by Danning-Gill by 1/10 hour increments. Danning-Gill will ultimately accept
14 such fees and reimbursement for expenses as may be awarded by the Court.

15 *Kevin E. McKenney*

16 DATED: JAN 28 2003

17 THE HONORABLE JUDGE OF THE SUPERIOR
18 COURT FOR THE STATE OF CALIFORNIA
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